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Summary

The rapidly changing external environment in 1998 increased demand for UNDP support worldwide - demand which derived largely from the distinguishing characteristics of UNDP: universality of presence, impartiality, multisectoral approach, non-conditional grant-based assistance.

Continuing to sharpen its focus and profile, UNDP sought to respond flexibly and rapidly to emerging challenges at the global, regional and country levels. As the 1998 report illustrates, UNDP helped a diverse range of programme countries in all regions to respond to their specific development challenges and to seize opportunities from increasing globalization.

Landmark legislation established the annual target of $1.1 billion core resources for UNDP and introduced a multi-year results-based funding framework to increase predictability. In partnership with donor and programme countries, UNDP worked to reverse the continuing decline in its core contributions.

UNDP continued to intensify the implementation of its internal reform package "UNDP 2001" and to play a pro-active part in support of the United Nations, its reforms and its development role in meeting increasing international challenges. Partnerships old and new received special attention.

The 1998 report is designed as a bridge between past reports and the new reporting system under the new multi-year funding framework approved in 1998. The first new report will be presented to the Executive Board in April 2000.

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The present annual report provides highlights of 1998 achievements in the areas of resources, results, partnerships and organizational capacity and flags issues and challenges facing the UNDP of the future that the organization would like to bring to the particular attention of the Executive Board.

Note: Activities of funds and programmes associated with UNDP, such as the United Nations Capital Development Fund, the United Nations Development Fund for Women, the United Nations Office to Combat Desertification and Drought and the United Nations Volunteers are reported on separately at various sessions of the Executive Board and are not covered in detail by this report.

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I. Financial Resources

A. Current situation and trends

1. Crisis after crisis took the spotlight in 1998 – war, genocide, and refugee movements, financial volatility, environmental degradation and growing social pressures stemming from increasing inequity. These international challenges increased demand for UNDP support at the global, regional and country levels. Despite this increased demand for UNDP services, as the present report illustrates, UNDP core (i.e., non-earmarked) resources (expressed as actual income) stood at just over $750 million in 1998 - under two thirds of the $1.1 billion annual level agreed upon in decision 95/23.

2. UNDP and the Executive Board worked in partnership in 1998 to reverse this downward trend and to ensure the volume and predictability of core resources in the future. The Ad Hoc Open-ended Working Group, established by decision 98/3, facilitated intensive discussion throughout 1998 between UNDP, the programme and donor countries, and the Board itself. The Working Group consultations culminated in the approval of landmark decisions 98/23 and 99/1.

3. In these decisions, the Executive Board reaffirmed the fundamental characteristics of the operational activities of the United Nations development system – universality, neutrality, multilateralism and its voluntary grant nature - fully respecting the priorities of programme countries and responding to their needs in a flexible manner. The Board also emphasized the importance of volume, adopting $1.1 billion core resources as the annual target, and introduced a mechanism to place UNDP core and non-core funding on a predictable basis. The new mechanism consists of: (a) the multi-year funding framework (MYFF), which has two elements: the strategic results framework (SRF), which encompasses programme goals, strategic areas of support, expected key results, and a resource framework that integrates all financial allocations; (b) the results-oriented annual report (ROAR), which will provide the Board at its second regular session each year with a comprehensive assessment of key results achieved and a review of the use of resources; (c) an in-depth assessment every four years covering the outcomes and outputs identified in the MYFF, to be known as the multi-year funding framework report (MYFFR).

4. Non-core (earmarked) resources, through third-party cost-sharing, government cost-sharing and trust funds, rose from $378 million in 1992 to $1.2 billion in 1998. Details of the sources and uses of these funds in 1998, in response to paragraph 11 of decision 98/2, were not available for inclusion in the present report and will be provided in the annual report of the financial situation, which will be submitted to the Executive Board at its third regular session 1999.

B. Analysis

5. Discussions leading to the adoption of decision 98/23 emphasized that core resources remain the bedrock of UNDP but that overdependence on a limited number of donors carries risks. The decision itself, which reaffirms the role of UNDP in development, provides an opportunity that can be seized by all partners - UNDP, the donor and programme countries and the Executive Board. The discussions on decision 98/23 have nurtured a new, stronger sense of shared responsibility for the financial health of the organization. This new partnership must be extended to all contributing and participating members to reverse the downward trend in core contributions.

C. Challenges

6. The overriding challenge is to restore growth and enhance predictability to the core resource base of UNDP and to achieve annual increases until the target of $1.1 billion in core contributions is met. All partners have a critical role to play in fulfilling the compact underpinning decision 98/23: programme countries must speak out about the value-added that UNDP brings to their specific development situations; donor countries must increase public awareness of the role that UNDP plays in the evolving development cooperation framework. For UNDP, the challenge will be to show results under the new MYFF and to communicate these results effectively. It will be important at the current session to take stock of the outcome of the first UNDP funding meeting in April 1999 and decide on action to reach the annual $1.1 billion target for core resources.

II. Results

A. Current situation and trends

7. The paragraphs below highlight some examples of the type of support that UNDP provided in 1998 at the global, regional and country levels. Although submission of the ROARs will not begin until 2000, these examples of 1998 UNDP work are presented below in clusters corresponding to the first five categories of the SRF. The examples are intended to illustrate the geographical breadth and many faceted nature of UNDP activities in advocacy, capacity development and coordination in its legislated areas of focus, activities that cut across the five categories, given the multisectoral nature of the UNDP development approach. With regard to activities under the global cooperation framework, approved by the Executive Board in 1997, UNDP commissioned a team of independent consultants to undertake a forward-looking assessment. As the results of the study show in document DP/1999/CRP.7 and in the status report of UNDP activities under the ongoing global cooperation framework, there has not been sufficient time for empirical results to unfold fully with respect to UNDP clients and stakeholders. The Directors of the Regional Bureaux will be available to brief the Executive Board orally at the current session on 1998 achievements, lessons learned and priorities for 1999.

1. The enabling environment for sustainable human development

8. UNDP experience operating worldwide indicates that good governance is a critical factor in achieving results in its four legislated areas of focus. Global and regional programmes continued to facilitate the exchange of best practices. At the country level, UNDP responded to growing demand from programme countries for capacity development in: governing institutions (judiciaries, legislative bodies and electoral bodies); decentralization and local governance; public sector management and administration; and civil society organizations. Particularly in the cases of decentralization and local government, UNCDF local development funds in African countries, Bangladesh, Lao People's Democratic Republic, and Viet Nam played an important role. UNDP also facilitated consensus on development issues between opposing sectors of society.

9. In the Africa region, as part of the United Nations System-wide Special Initiative on Africa (UNSIA), UNDP held the second Africa Governance Forum in Ghana in June 1998, focusing on accountability and transparency. As a result, 11 countries have to date prepared national programmes for capacity-building in the areas of the judiciary and public administration. UNDP completed guidelines for a civil service reform package for the Special Programme for Africa, a donor initiative led by the World Bank. UNDP gave support to elections in an increasing number of countries. In 1998, the Central African Republic, Guinea, Mali, Niger and Togo requested UNDP electoral support (see paragraph 60 for information on Lesotho). Demand for UNDP support in areas of governance went beyond electoral assistance to constitutional reviews or reforms, civil service reform, including decentralization and anti-corruption work. Among other countries, UNDP supported Chad, Mali and Senegal in drafting legislation for decentralization and for building capacity for decentralized units. Chad requested UNDP and the Human Rights Commission to draw up a human rights and governance programme, to which support was given by donors.

10. In the Arab States region, UNDP worked with Governments to build a framework for more participatory and decentralized decision-making and to foster national dialogue and partnerships between Governments, civil society and the private sector. In the case of Yemen, UNDP supported the Government in consolidating the process of unification, reconciling the divergent administrative traditions, streamlining the machinery of the State through establishing a more manageable balance of responsibility and authority between the centre and the regions, and creating an enabling environment for civil society and the private sector. The programme is expected to lead to more results-oriented decision-making in the Parliament, the cabinet and local councils. In Egypt, UNDP responded to the demand for support to decentralization, which led to improved delivery and performance of public services. As part of the reform programme, business centres were established in all governorates to assist investors in business start-up and promotion. In Saudi Arabia, UNDP supported the formulation of infrastructure plans for cities and for strengthening the capacity of national authorities to address long-term urban development problems. UNDP also contributed to the efforts of the Government in the structural transformation and diversification of the Saudi economy and in strengthening policy analysis and economic forecasting capacity to promote privatization.

11. In the Asia and the Pacific region, UNDP was requested to provide support to coordinate international assistance (cost-sharing and parallel funding) for the June 1999 elections in Indonesia, the organization of which entails the management of over 300,000 polling sites and

over 100 million eligible voters spread over about 17,000 islands. UNDP support involved bringing together the Government, electoral management bodies, non-governmental organizations (NGOs), civil society organizations, academia, subregional expertise and the international community as a whole. UNDP support included: strengthening the capacities of electoral management bodies; assisting in the development of a national programme for voter education; and building capacities for independent national monitoring of the election process. The international community responded favourably by channelling over $50 million to date through UNDP to support the elections. This support represented an important entry point for a comprehensive programme of technical cooperation for governance, to be complemented by a broader programme in judicial reform, parliamentary reform, regional autonomy and decentralization, and public administration. In Malaysia, UNDP started a senior advisory service on corporate governance to provide short-term support to national programmes in Southeast Asia, attempting to re-examine and reform corporate accountability and transparency structures and legislative frameworks. In the Republic of Korea, UNDP organized the first national workshop on sound governance in public and corporate sectors in collaboration with the Parliamentarians Network and the Citizens for Economic Freedom. The workshop gave rise to public awareness on the current status of the issues relating to weak financial governance and what needs to be done to overcome the current crisis and prevent another crisis of the sort from happening in the future. As intended, recommendations and proposals made during the workshop have raised awareness of the issues, and wide distribution of the proceedings has facilitated more discussion and proposals for better governance in politics, public and corporate sectors of the country. In Thailand, the UNDP Regional Programme on Governance for Asia and the Pacific, together with Transparency International, sponsored "Integrating in Governance in Asia," a regional meeting of parliamentarians, senior government officials, civil society leaders and other policy-makers involved in promoting transparency and accountability. The conference resulted in an approach to fighting corruption at the country level, including capacity-strengthening of parliamentarians, media, central and local governments, watchdog agencies, ombudspersons, judiciaries, and civil society organizations. In Cambodia, UNDP provided technical cooperation, procurement and logistical support for the National Elections Committee, the governing body for the elections, which were held in July 1998. In-house technical capabilities were used extensively and funded from target for resource assignment from the core (TRAC) line 1.1.3 sources. Project management time was redirected to support the elections from an already existing project relating to governance and human rights. UNDP also established an open trust fund, which provided the necessary flexibility for the receipt of contributions from donors and for the disbursement of funds in a variety of areas such as voter education, counterpart training, and equipment purchase.

12. In the Europe and the Commonwealth of Independent States region, UNDP continued ongoing projects in, for example, Latvia, Poland, Republic of Moldova and Uzbekistan, supporting the establishment of independent human rights institutions. In addition, new projects were started in Romania and Ukraine. In Romania, UNDP supported the establishment of the Ombudsman Office and the start-up of its work through training and a citizen's guide on the role of the Ombudsman. In Ukraine, UNDP will support the newly established Ombudsman, the first in the history of the country, elected by Parliament in April 1998. In Kazakhstan, UNDP supported initial measures for the establishment of an ombudsman institution in 1999. The Fourth International Ombudsman Workshop was organized in Warsaw in May 1998 in close cooperation with the Office of Democratic Institutions and Human Rights.

13. In the Latin America and the Caribbean region, UNDP worked to strengthen the judicial system, including public security and the penitentiary sector, and to improve public access to justice services. UNDP work in this area resulted in the establishment of a network of organizations and experts to monitor elements of the justice sectors in various countries. It also assisted Governments in reforming their justice systems and organized several regional conferences and training seminars. In Guatemala, UNDP strengthened the Public Defence Service and advanced reforms under the peace accords. In Haiti, UNDP continued to provide technical cooperation for the institutional development of the Haitian National Police in coordination with American, Canadian, and French programmes. Even during the political crisis in the country, the Haitian National Police continued to be regarded as an important player in maintaining and strengthening democracy. In Colombia, UNDP offered its support for the implementation of the peace agenda of the newly elected Government. In particular, assistance was geared to ensuring the resettlement and reinsertion of internally displaced populations.

14. In 1998, the fiftieth anniversary of the Universal Declaration on Human Rights saw increased linkage between the concept of the right to development and good governance. Working in close coordination with the Office of the High Commissioner for Human Rights, UNDP explored this rights-based approach at both the policy and

operational levels. Results included: a global programme in support of national human rights institutions (e.g., establishing ombudsmen and human rights commissions); training on human rights, capacity development and UNDP assistance bringing together country office staff and representatives of government and civil society; stimulating dialogue on human rights policy and follow-up to United Nations conferences; specific projects at the country-level, ranging from support to the rule of law to political participation and to human rights education campaigns.

15. In the Europe and the Commonwealth of Independent States region, UNDP had as its main focus the commemoration of the fiftieth anniversary of the Universal Declaration of Human Rights, involving all country offices, regional programmes and national partners. As a result of the joint exercise, most country offices produced national reports on the human rights situation in their countries. These reports and the activities at the national level fed into the regional conference on human rights held in September in Yalta, Ukraine. The regional conference gathered 300 delegates from 27 countries to discuss the challenge of protecting human rights and freedoms in the process of overall transition. The conference agreed on overall objectives, to be coordinated by UNDP, including exchanges on best practices in the area of human rights between Governments, civil society and the private sector.

16. In the Arab States region, UNDP laid the groundwork for a regional meeting in Egypt in May 1999 on human rights and development, bringing together for the first time partners working in the area of human rights in the region, Human Rights Studies Centres, Parliamentary Committees on human rights, the Union of Arab Jurists, the Arab Labour Union, and the Arab Journalist Union and some NGOs. The aim is to increase understanding of the link between human rights and sustainable human development in the region.

17. At the global, regional and country levels, UNDP continued to play a catalytic role in bringing together the different partners to shape the policy direction for sustainable human development. UNDP instruments such as the human development reports - global, regional and national - were important in this, influencing policy decision-making and provoking public debates (see also paragraph 25). UNDP also facilitated forums for high-level, broad-based policy discussions to address development challenges in the different regions of the world. For instance, in the Asia and the Pacific region, UNDP co-hosted the Regional Millennium Meeting with the Government of the Republic of Korea, bringing together 150 government and non-government participants, including representatives of youth, from 30 countries from the region. The Meeting resulted in increased understanding of the issues inherent in sustainable and equitable development in a globalizing world. The consensus of the meeting in this respect is embodied in the Seoul Statement.

18. For the Africa region, UNDP organized throughout 1998 a series of workshops and prepared a series of policy papers to promote competitiveness, which culminated in the Ministerial Forum on the Competitiveness of African economies, organized in March 1998 in Dakar, Senegal. This process was aimed at helping countries to explore strategies to enhance capacities to negotiate and compete in the global marketplace. This forum and other market access and development activities in the context of the UNSIA provided a basis for the Secretary-General's joint action with the Secretary-General of the Organization of African Unity to promote large-scale, long-term investment in the region, including multi-country infrastructure projects and exploitation of shared natural resources. UNDP aims to support countries in preparing competitive assessment reports on exports and in developing policies and strategies to gain access to global markets, taking stock of openness to trade, tax structures, adequate infrastructure, transparency and accountability as well as the protection of property rights. Recommendations include actions needed to remove policy impediments to investment. UNDP-sponsored national long-term perspective studies (NLTPS) were important instruments for enabling African Governments to define their long-term development objectives, taking into account the views of national stakeholders, the globalization of the world economy and the role of domestic and foreign private-sector investment. A major output of the NLTPS programme in 1999 is the establishment of the African regional Decision-making Information System, based in Harare with nodes scattered in different African countries. UNDP has, to date, assisted 14 countries in designing a long-term development vision (Cape Verde, Côte d'Ivoire, Gabon, Guinea Bissau, Madagascar, Malawi, Mauritania, Sao Tome, Seychelles, Swaziland, Uganda, United Republic of Tanzania, Zambia and Zimbabwe). Currently, the NLTPS team is developing tools to link long-term forecasting, medium-term strategic planning and short-term economic management (Phase II, 1997-2001). Thirty other countries have made formal requests for assistance to be supported by the programme. Strategic regional and subregional long-term perspective studies will also be undertaken.

19. In the Latin America and the Caribbean region, together with the High-level Commission of Eminent Persons, UNDP helped to prepare, in consultation with, inter alia, the Inter-American Development Bank (IDB), the United Nations Educational, Scientific and Cultural

Organization and the World Bank, an overview of the state of education in the region. Presented as the United Nations contribution to the debate on education at the Presidential Hemispheric Summit of the Americas in April 1998, the overview shaped national policy debate in several countries. UNDP supported the Círculo de Montevideo forum of key world leaders, which provided critical recommendations, focusing on social investment and governance and the relationship between political parties and civil society. Two examples of UNDP support to fiscal reform, in close partnership with Governments, multilateral, and bilateral donors, are to be found in Brazil and Guatemala. In Brazil, with IDB financing, UNDP worked with the National Fiscal Administration Programme for Brazil to improve the management of public funds. In Paraiba, tax collection rose by six per cent in 1998. In Guatemala, UNDP, in partnership with the World Bank and bilateral donors, was instrumental in meeting the goals set out in the peace accords signed in late 1996. In 1998, UNDP support was critical in establishing the new tax collection agency and in the reordering of priorities and decentralization of the government's budget, in accordance with the mandate of the peace accords.

2. Poverty and sustainable livelihoods

20. In response to the financial crisis in Asia, UNDP directed its support towards strengthening national capacity to mitigate the resultant rise in poverty through policy advice to Governments on recovery options. As part of its support, UNDP broadened the consultation process highlighting human development concerns, sustainable environmental management, short-term safety nets and longer-term social security systems, as well as governance issues in the context of the crisis. UNDP engaged government officials, civil society groups, media, the business community and academia in the five countries seriously affected by the crisis (Indonesia, Malaysia, Philippines, the Republic of Korea and Thailand) in national policy seminars and regional workshops to discuss the full range of implications of the crisis and alternative recovery scenarios. UNDP helped to design and monitor national response strategies and actions with a focus on empowering NGOs and community groups to cope with the human impact of the crisis. UNDP conducted high-level dialogues in these countries with senior government officials on recovery options and commissioned in-depth policy papers analysing the causes and immediate consequences of the financial and environmental crises facing each country, especially the social and economic impact on the poor. A paper entitled "A Pro-Human Development Adjustment Framework for the Countries of East and South East Asia", prepared for UNDP, made recommendations on selected high priority initiatives and subregional actions. While UNDP activities were concentrated at the upstream level, they were balanced with support to specific activities within national recovery plans. This involved reorienting country cooperation frameworks to meet crisis recovery needs and mobilizing the United Nations system for joint programme support. UNDP provided $350,000 for the regional programme Special Assistance to Countries in Economic Crisis in Asia. The programme helped to start up funds for special local initiatives in each of the five most affected countries. In Indonesia, United Nations specialized agencies are working closely as a team under the leadership of the Resident Coordinator, who was designated by the Government to act as coordinator of all external technical cooperation in post-crisis economic recovery programmes. Inter-agency advisory and support services are provided through the UNDP Support Facility for Indonesian Recovery in monitoring the social and human impact, analysing the integration of social and economic policies, and coordinating emergency assistance. Direct assistance to people affected at the grass-roots level is provided through the Community Recovery Programme. In Thailand, UNDP contributed significantly to drafting the Government's strategy paper for the Social Policy Committee, entitled "A People-Centred Development Strategy for Rapid Recovery in Thailand", which elaborated a five-point plan of action, emphasizing community empowerment and holistic and participatory development.

21. In response to the Russian financial crisis, UNDP, in cooperation with the Centre for International Development, Harvard University, and the Economic Commission for Europe, brought together policy-makers, economists and researchers from around the world in December 1998 to discuss the effects of the crises in the Russian Federation and in transition economies of the region, and to take into account experience in Asia and Latin America in dealing with such crises.

22. At the global level, UNDP, jointly with the Department of Economic and Social Affairs, the United Nations Development Group and the World Bank, formulated the first Statement of Commitment for Action to Eradicate Poverty by the Administrative Committee on Coordination. UNDP also published the first issue of "Overcoming Human Poverty", an annual global report on the progress of programme countries and UNDP in implementing the commitments to poverty eradication made at the 1995 World Summit for Social Development. The report shows that while many countries have estimates of income poverty,

significantly fewer have formulated anti-poverty plans, and a minority have time-bound targets for eliminating extreme poverty. The report gives an overview of UNDP efforts to implement a multidimensional approach to poverty eradication, including policy and operational linkages between poverty, macroeconomics, environmental management, gender equality and governance. The report is being used at both global and country levels to accelerate progress in reducing poverty in preparation for the five-year review of the Social Summit by the General Assembly in 2000.

23. At the regional and country level, UNDP provided a range of services in support of poverty eradication. By the end of 1998, the UNDP Poverty Strategy Initiative, started in 1996, was supporting 100 countries. A third of the projects were completed and a field evaluation of the initiative was planned for the second half of 1999. UNDP services included: qualitative poverty assessments; household surveys and poverty maps; poverty-reduction strategies and programmes; analyses of social spending and aid flows to basic services; national human development reports; capacity development for poverty-reduction planning; and social mobilization and constituency building. Qualitative assessments, for instance, focused on important poverty groups such as indigenous communities, unemployed youth, persons infected with HIV/AIDS, women and street children. Non-traditional approaches were used, including participatory techniques, in contrast with conventional quantitative survey methodology. Many of the assessments shed light, for example, on the economic contribution of women's activities in the subsistence sector and helped to mobilize communities and to strengthen local capacities for understanding and combating poverty.

24. In the case of household surveys and poverty maps, new indicators were constructed to reflect the impact of complex dimensions of poverty such as social participation and rights and to capture better the changing dynamics of poverty and vulnerability to it. Apart from improving programme country databases on poverty, the poverty maps, by highlighting intranational disparities and inequalities, can be used to identify especially disadvantaged groups or regions. Poverty-reduction strategies and programmes developed mainly, although not exclusively, in Africa, involved key actors in the countries concerned at all stages. UNDP brought to the process its capacity to work with multiple stakeholders, to act as an honest broker, and draw as much as possible on national expertise. For instance, the Government of Mauritania presented its national strategy at the March 1998 Consultative Group meeting. In the case of analyses of social spending and aid flows to basic services, building on the 1996 Oslo Consensus on the 20/20 Initiative, UNDP, in partnership with the United Nations Children's Fund (UNICEF), targeted its support to the preparation of social sector expenditure reviews. The reviews, 24 to date, stimulated debate on social policy options and financing priorities and established a baseline of information on budget expenditures and social outcomes that could be used for tracking a country's future performance. In the Africa region, a high-level workshop was held in Burkina Faso in September to prepare the African contribution to the Global 20/20 Initiative Workshop held in Hanoi in October. In the Arab States region, UNDP supported Egypt, Jordan, Lebanon and Morocco in implementing the Initiative. In the Asia and the Pacific region, in Viet Nam, for example, UNDP advocacy of the 20/20 Initiative at the 1997 Consultative Group meeting was followed in 1998 by a joint study for the Hanoi 20/20 Conference itself, which focused the attention of policy-makers on the level and form of public spending on social services.

25. National human development reports continued to provide an important means for Governments to foster broad public debate on how to combat poverty in the country concerned. By the end of 1998, a total of 114 countries had produced national human development reports. In the Africa region, six additional countries completed national human development reports, bringing the total to 32 countries. The first regional human development report, for the countries of the South African Development Community (SADC), was launched and a report for the Sahel region was started. In the Arab States region, UNDP facilitated the production of national human development reports in all countries as key policy and operational tools. UNDP organized the first regional launching of the global Human Development Report 1998. In the Asia and the Pacific region, 24 countries produced national development reports, compared with five in 1997. In the Europe and the Commonwealth of Independent States region, the first region to produce these reports in 1994, work began on analysing the impact at the national policy level of these reports, published annually in programme countries. In the Latin America and the Caribbean region, UNDP promoted joint research by government, civil society, academia, and the private sector to produce eight new national human development reports as well as three subregional human development reports for Central America, the Andean region, and the Common Market of the Southern Cone (Mercosur). These reports were used not only for policy-making by Governments but also for investment decisions by private companies.

26. Capacity development continued to be the main thrust of all UNDP support. UNDP continued to fine-tune existing

approaches and to seek new entry points for enabling programme countries to reduce aid dependency and to own and drive their national development strategies and policies. To complement existing methods, UNDP training modules familiarized programme country partners with the latest thinking and methodological approaches to poverty reduction. In the case of social mobilization and constituency-building, UNDP brought the full range of national actors into the debate, including non-governmental and civil society groups and the private sector. For example, the South-Asia Poverty Alleviation Programme continued to support over 3,500 community organizations, developing management capacity in the communities for running credit operations and development projects. The partners in these community organizations have demonstrated that they can save and generate resources, plan and manage development projects and sustain their efforts. In India, UNDP worked in partnership with other United Nations entities to reduce child labour through a number of activities at the policy and operational levels.

27. In the Africa region, 30 projects under the Poverty Strategy Initiative were under implementation, largely in support of the design and validation of national anti-poverty strategies and programmes. In collaboration with UNICEF, social expenditure reviews were launched in Benin, Burkina Faso, Chad, Kenya, South Africa, Uganda and Zambia and five have been completed. Through the UNDP-supported round-table mechanism, countries raised funding for their anti-poverty strategies. For instance, Chad mobilized $1.13 billion in support of poverty eradication, governance and de-mining. Gambia mobilized $103 million for public expenditure programmes with a special focus on poverty eradication and Mali mobilized $600 million to implement its poverty programmes. Demand for UNDP support to sustainable livelihoods also rose. For instance, the Africa 2000 Network - a programme providing small grants of up to $50,000 for women in villages - promoted sustainable livelihoods and protected the environment through training and communication exchange. By the end of 1998, over 700 projects were actively benefiting the poor in Burundi, Burkina Faso, Cameroon, Ghana, Lesotho, Mauritania, Rwanda, Senegal, Uganda, the United Republic of Tanzania, and Zimbabwe. The projects focused on soil conservation, food preservation, afforestation, agroforestry, and income-generating activities. Similarly, UNDP support through Enterprise Africa, modeled on Empretec in Argentina, expanded beyond the already existing activities in Ghana and Zimbabwe to Botswana, Ethiopia, Mozambique, Namibia and South Africa. Forty per cent of the beneficiaries are women. The programme plans to cover over 20 countries around the continent. At the regional level, the programme is working to create cross-border links in trade and investment as well as technology transfer. With a budget of only $8.6 million over five years, the programme aims to reach 5,000 entrepreneurs, help to create 200,000 new jobs, provide skills training for 60,000 workers, assist companies to achieve a 50 per cent increase in profitability, and help to generate $1 billion in new investments.

28. In the Arab States region, given concern about the inadequate adjustment of most developing countries to the impact of changing global conditions on the job market, UNDP prepared for a related initiative starting in April 1999. The goal of the initiative is to concentrate the attention of the Governments of the region and the private sector on the opportunities for growth and development and to work out a plan of action for the region in which Governments and business, possibly through public-private partnerships, will be able to address the lack of capacity of the Arab labour force to function effectively in the global information-based economy. In addition, UNDP facilitated negotiations with the World Trade Organization and the European Union to enable countries to benefit from the global market. Algeria, Bahrain, Djibouti, Egypt, Jordan, Lebanon, Morocco, Sudan, Saudi Arabia, United Arab Emirates and Yemen benefited from the initiative. In Lebanon, UNDP provided support to the mapping of living conditions using an "unsatisfied basic needs" approach for the first time in the region. The results were formally adopted by the Council of Ministers as a framework for the elaboration of a national programme to improve living conditions in Lebanon, which UNDP will help to monitor. Mapping exercises were also under way in Morocco and Syria.

29. In the Asia and the Pacific region, UNDP had impact at both the policy and grass-roots levels. In China, for instance, UNDP worked at the policy, institutional, and community levels in 48 counties to lift rural households out of poverty. Activities included group-supported micro-credit schemes, improved farming techniques, rain-water harvesting, and capacity-building. The focus of the UNDP approach is to lift a large number of households out of poverty through a mix of grass-roots level work reinforced by policy interventions.

30. In Eastern Europe and the Commonwealth of Independent States, a UNDP report entitled "Poverty in Transition" documented the sharp decline in living standards and welfare in the region. In Turkey, UNDP and other United Nations entities committed $210 million in grants and loans to promote investment, generate employment, increase opportunities for women and improve environmental, education, health, water and sanitation services in South-

East Anatolia. Armenia, Bulgaria, Estonia, Kazakhstan, Latvia, Lithuania, Poland, Republic of Moldova and Ukraine carried out various types of surveys or assessments of poverty. The Governments of Romania and Uzbekistan launched pilot projects in poor areas of their countries.

31. In the Latin America and the Caribbean region, a comparative study of the effects of macroeconomic policy on poverty in 15 countries was published. The study was sponsored by UNDP, the Economic Commission for Latin America and the Caribbean (ECLAC) and the Inter-American Development Bank (IDB). Thirteen of the 24 studies of social expenditure mentioned in paragraph 24 were scheduled to be completed in Latin America and the Caribbean in 1999. The programme was sponsored by UNDP, UNICEF, ECLAC and UNFPA for use by decision-makers in restructuring social expenditures.

32. At the subregional level, in the Asia and the Pacific region, UNDP established a programme for the countries bordering the Tumen River, thereby linking China, Democratic People's Republic of Korea, Mongolia, Republic of Korea and Russia and enabling them to identify and act on economic cooperation initiatives that will nurture trade and investment. In Southern Africa, the UNDP-supported SADC Water Roundtable raised pledges of $14 million from donors.

33. Technical and economic cooperation among developing countries (TCDC/ECDC) facilitated increased South-South sharing of capacities through the development and dissemination of 250 best practices in good governance, structural adjustment, poverty eradication, micro-financing, maternal mortality, agriculture and food security, science and technology for sustainable human development, job creation and management of the environment and the sustainable development of small island states. South-South channels of communication were also enhanced as a result of expansion and decentralization of the TCDC information referral system and the creation of the content-based national TCDC web sites in 11 programme countries (see document DP/1999/21 for more details).

34. In the case of poverty resulting from HIV/AIDS, UNDP, as part of a United Nations system response and as a co-sponsor of the Joint and Co-sponsored United nations Programme on HIV/AIDS (UNAIDS), continued to strengthen understanding of the epidemic as a development issue and to support approaches to capacity development to ensure effective multisectoral policy and programming responses to it. In the Africa region, UNDP extended support to the Alliance of Mayors and Community leaders for advocacy work in the area of HIV/AIDS. United Nations volunteers provided support to national AIDS control programmes in Malawi and Zambia, some of the volunteers being persons who were themselves affected by HIV/AIDS.

35. UNDP facilitated networking and internet connectivity as a means of reducing poverty. In the Africa region, UNDP focused on strengthening connectivity between a wide range of partners - government, the private sector, NGOs and academia and civil society - building on local expertise to provide public and private sector training at technical and management levels. By the end of 1998, Burkina Faso, Chad, Ethiopia, Gambia, Mauritania, Namibia, Nigeria and Swaziland had internet agreements with UNDP.

36. UNDP intensified its advocacy for eradicating poverty. The UNDP-sponsored International Day for the Eradication of Poverty raised public awareness worldwide. UNDP Goodwill Ambassadors - prominent individuals committed to the ideals of UNDP – were active in increasing support for the organization and raising its visibility in all key forums and through the media. By the end of 1998, UNDP had three global Goodwill Ambassadors - United States actor Danny Glover, South African Nobel Laureate Nadine Gordimer and Japanese actress Midake Konno.

3. Environment

37. In line with Agenda 21, adopted at the United Nations Conference on Environment and Development in 1992, UNDP continued to seek to explore ways to integrate an environmental perspective into its programmes at all levels from corporate policy to field level projects and in core as well as non-core funded activities. By the end of 1998, about 50 countries had Capacity 21 programmes and 20 others were being assisted. At a meeting with donors and other partners in the United Kingdom in November, it was recommended that Capacity 21 should concentrate in the future on: strengthening its international network of collaborating institutions and individuals; further mainstreaming of Capacity 21 work into UNDP programmes; completion of ongoing programmes and support to selected countries with urgent need of assistance in the development of national strategies for sustainable development.

38. Through the Global Environment Facility (GEF), UNDP helped over 138 countries to prepare national strategies to meet their commitments under the United Nations Framework Convention on Climate Change and the Convention on Biological Diversity. In partnership with the United Nations Environment Programme (UNEP) and the World Bank, UNDP continued to implement GEF activities

that protect the global environment in areas of biological diversity, climate change, protection of international waters and ozone depletion. In 1998, the total UNDP-GEF portfolio reached $756 million and included 260 projects (122 full projects and 138 enabling activities) covering every region of the developing world. UNDP continued to administer the GEF Small Grants Programme, which has supported over 1000 local community projects since its inception in 1992.

39. UNDP continued as an implementing agency under the Montreal Protocol, helping 65 countries to convert their industrial and agricultural processes to eliminate the use of ozone-depleting substances and reverse damage to the global ozone layer. The approved programme comprises 905 projects with funded budgets of $234 million. In 1998, UNDP completed 75 conversion projects in 19 countries in all regions, eliminating 3,927 tonnes of ozone-depleting substances. Approximately 50 technical cooperation and capacity-building projects were also completed. Innovative projects were developed and implemented in eight countries to help small and medium-sized enterprises to convert their processes using, in many cases, locally produced equipment. UNDP was the lead agency, which assisted China to update its national programme under the Montreal Protocol.

40. To mark 1998, the United Nations International Year of the Ocean, UNDP launched its capacity-building Strategic Initiative for Ocean and Coastal Management. The UNDP water strategy was presented at the seventh session of the Commission on Sustainable Development and distributed to all country offices.

41. The United Nations Revolving Fund for Natural Resources Exploration promoted environmentally sound mining activities in Mozambique and Suriname, and published and distributed guidebooks and CD-ROMs on this topic to over 50 programme countries.

42. UNDP continued to help several countries to implement the Action Plan of the 1996 World Food Summit in cooperation with the Food and Agriculture Organization of the United Nations.

43. UNDP launched a programme for sustainable management of forest resources with Cameroon, Costa Rica, Guyana, Malawi, Uganda and Viet Nam, researching and facilitating ways to give full valuation to forest resource. New partnerships, through country-led initiatives, were formed to support sustainable forest management and related livelihoods, including linking with the private sector and developing new approaches to financing land use.

44. UNDP continued its work through the Office to Combat Desertification and Drought (UNSO), which has now directly assisted 49 countries to prepare their national action programmes to combat desertification and drought – 23 in Africa, 7 in the Arab States, 2 in Asia, 5 in the Commonwealth of Independent States and 12 in Latin America and the Caribbean.

45. In following up on the Kyoto Protocol to the United Nations Framework Convention on Climate Change, UNDP played an important advocacy role before, during, and after the Buenos Aires meeting in November 1998. In the area of sustainable energy, UNDP made rapid progress in implementing the UNDP Initiative for Sustainable Energy, linking energy with other areas of sustainable human development, including the advancement of women. In June 1998, UNDP set up a task force on climate change to provide a strategic and unified approach to the Kyoto follow-up and produced two key research outputs on the clean development mechanism and limiting greenhouse gas emissions. The World Energy Assessment - a joint initiative of UNDP, the Department of Economic and Social Affairs, and the World Energy Council - was launched in 1998 to provide a scientific and technical basis in international forums and intergovernmental negotiations involved in furthering Agenda 21. To seize opportunities from increased international focus on the Convention on Climate Change, UNDP launched a pilot project to support capacity-building for clean development mechanism activities with the support of Norway. Bulgaria, Peru, Philippines, and South Africa were the first pilot countries. The Energy Account continued to be the main vehicle for supporting specific, country-based activities. Under its programme for Financing Energy Services for Small-Scale Energy Users, UNDP assisted some 20 countries in Asia and Africa to prepare business plans to secure loans for renewable energy and energy efficiency.

46. The Public Private Partnerships for the Urban Environment helped municipalities in 16 programme countries to solve environmental problems by building partnerships that mobilized private sector resources.

47. In the Africa region, UNDP launched the Zero Emission Research and Initiatives (ZERI), the aim of which is to transform waste materials into raw materials for other products, in three regions: Lake Victoria (Ethiopia, Kenya, Uganda and the United Republic of Tanzania), Zambezi Ecosystems (Malawi, Mozambique, Zambia and Zimbabwe) and in Western Africa (Benin, Cameroon, Côte d'Ivoire, Gambia, Ghana and Senegal). Examples of ZERI products include biogas energy from organic waste from the brewing industry and high protein edible and exportable mushrooms from cereal straw, sisal wastes, cotton wastes and even from the water hyacinth weed.

48. In the Arab States region, to help to preserve the Red Sea and Gulf of Aden, UNDP, jointly with the World Bank, launched a $19 million initiative, to be funded primarily by GEF, to help to safeguard coastal and marine habitats in countries in the subregion through the creation of protected areas, the regulation of marine navigation, sustainable fisheries management, and the introduction of coastal-zone management systems. UNDP support focused on the sustainable use of living marine resources and on enabling community groups in the Red Sea and Gulf of Aden areas to benefit from the programme. In the case of Sudan, area development schemes in five of the country's poorest and most environmentally fragile areas helped to establish elected village development committees to manage a range of small-scale, grass-roots interventions in agriculture, animal husbandry, and handicrafts.

49. In the Asia and the Pacific region, UNDP facilitated the involvement of 70 industrial associations in the Philippines in environmental self-regulation, industrial ecology and environmental entrepreneurship. UNDP also launched an initiative to promote sustainable tourism. In the Pacific islands region, UNDP led innovative sustainable environmental initiatives. In Fiji, a biodiversity strategy action plan was operationalized in 1998 through an enabling activity supported by GEF in partnership with the Ministry of Fijian Affairs, NGOs and communities in six environmentally vulnerable locations, leading to the establishment of a village biodiversity warden system. In the Federated States of Micronesia, Kiribati and the Marshall Islands, national biodiversity action plans were prepared through an enabling activity supported by GEF, incorporating traditional knowledge, current resource use practices, and information on indigenous flora, fauna and ecosystems. Through the UNDP Small Enterprise Development Programme, waste material from garment factories was used to make high quality paper. The GEF-supported South Pacific Biodiversity Conservation Programme has established 17 conservation areas in 15 countries through joint action among local communities, NGOs and Governments. The initiative showed that in small island communities, small amounts of additional resources can have a significant multiplier impact.

50. In the Europe and the Commonwealth of Independent States region, two key UNDP areas of support were in the Aral Sea Basin and in the Caspian region. In the Aral Sea basin, UNDP, jointly with the World Bank and UNEP, promoted the sustainable use of land and water resources for the enhancement of the economic and social development of the Central Asian republics. UNDP support focused on developing the necessary institutional capacities and human resources while the World Bank/GEF provided technical support to stabilizing the environment and improving the management of international waters. In the Caspian region, UNDP, jointly with the other two GEF implementing agencies (UNEP and the World Bank), five riparian countries, and the European Union helped to develop a comprehensive response to severe environmental problems facing the region. The response was based on consultations with regional and international scientific and resource management communities as well as with the private sector oil and gas industry.

4. Gender equality

51. Gender equality and the advancement of women remained an integral part of all UNDP activities. In follow-up to the Fourth World Conference on Women held in Beijing in 1996, UNDP supported countries in developing and implementing national action plans and promoted regional and subregional initiatives. Tackling capability poverty and gender inequality simultaneously, UNDP continued to focus on macro-policy and empowerment. Micro-credit schemes for female heads of household remained an important strategy. These and other such schemes were designed to improve women's capabilities as well as their access to assets and resources. The South Asia Poverty Alleviation Programme provides an illustration of how the UNDP approach both increased women's incomes and empowered them socially and economically.

52. On the fiftieth anniversary of the Declaration of Human Rights, the United Nations Development Fund for Women (UNIFEM) in collaboration with UNDP, UNICEF and other United Nations partners, acted as a catalyst with key partners to eliminate violence against women in various regions of the world resulting in: development of a protocol for cooperation between Women's Crisis Centres and the police in the Caribbean, the "Intra-Family Pact of Non-Violence" in Brazil; introduction in Senegal of a path-breaking law banning the practice of female genital mutilation; breaking of silence on "honour killings" in Jordan.

53. UNDP participated in the sub-working group of the Inter-Agency Standing Committee (IASC), addressing the mainstreaming of gender in the humanitarian response to emergencies, developing an IASC statement and training materials on gender and humanitarian assistance and monitoring the implementation of gender equality in the staffing of IASC member organizations. One example of UNDP support in the Asia and the Pacific region is that in war-affected regions of Afghanistan, in the face of

discriminatory policies against women and restrictions on their participation in programmes as programme beneficiaries, UNDP, in partnership with UNIFEM, carried out extensive community-based activities aimed at reaching women and girls.

54. At the macro-policy level, jointly with other members of the United Nations system, UNDP promoted understanding of gender issues in macro-economic planning and policy-making. UNDP supported the Governments of Barbados, Mozambique, Namibia and the Republic of Korea to avoid gender bias in national and municipal budgets. In South Africa, UNDP helped to develop a simulation model to assess the reciprocal impacts of macro and micro economic policies, gender and racial inequalities. In the area of labour statistics, UNDP, in collaboration with the International Labour Organization and the United Nations Statistics Division, worked to resolve the issue of unremunerated labour being under-reported. New methodologies were tested in five countries and a network of statisticians established. In the area of capacity-building, UNDP tested methodologies developed for building capacity to mainstream gender equality in development activities. A monthly publication "Gender Beat" was launched in 1998, distributed throughout the United Nations and to over 300 outside networks, as an instrument for information-sharing and learning. Progress in implementing the internal commitment of UNDP to gender equality is described in chapter IV.

55. In the Africa region, UNDP continued its support to raise public awareness of women's rights and to develop training schemes and legislation to improve the status of women. In partnership with SADC, UNDP promoted gender equality and gender-mainstreaming by bringing together government and NGO representatives from across the region to work together to establish national policies and instruments to measure progress in reaching the stated goals. Among the entities UNDP supported in 1998 were Women in Law and Development in Africa (for community-level networking), the Council for the Development of Social Science Research in Africa, Femmes Africa Solidarité and the Federation of African Women in Peace, concerned with conflict resolution and peace-building in Burundi, Eritrea, Ethiopia and Rwanda. UNDP was also active in the recently launched inter-agency public awareness campaign on violence against women in Africa.

56. In the Arab States region, UNDP supported the advancement of women through a range of culturally sensitive strategic initiatives with special focus on women in poverty, economic empowerment of women, and direct support to disadvantaged women. UNDP supported sustainable micro-credit pilots in Bahrain, Morocco and Yemen. In Morocco alone, 5,000 small loans were given to poor women/female-headed households who lacked access to traditional banking. UNDP facilitated a study on increasing women's participation in public and civic life and facilitating their access to leadership and decision-making positions. An advisory panel, consisting of Arab women holding leadership positions in government, parliaments, media and the private sector, met to define the initiative's action plan. The plan includes a regional seminar in Egypt in October 1999 of representatives from all Arab States to review the results of debates at the country level and to make recommendations to the Governments concerned.

57. Networking in the Asia and the Pacific region built on pilot activities to ensure that national policies take into account unpaid work and use science and technology for gender equality, political empowerment and the implementation of the recommendations of the Committee for the Elimination of Discrimination against Women.

58. In the Europe and the Commonwealth of Independent States region, UNDP established 18 gender-in-development units in 18 countries, which have become focal points for external assistance to countries pursuing gender equality. Subregional workshops on human rights and gender were organized in 1998 in Baku for the Caucasus and in Geneva for Central and Eastern Europe. A similar workshop was organized at the regional human rights meeting at Yalta in September 1998. UNDP worked with the Office for Democratic Institutions and Human Rights of the Organization for Security and Cooperation in Europe in Warsaw to promote reviews of relevant legislation in Europe and the Commonwealth of Independent States, especially in Central Asia.

59. In the Latin America and the Caribbean region, in part owing to inadequate legislation and law enforcement, violence against women is a particular problem. In January 1998, UNDP and UNIFEM launched a $600,000 programme covering over 20 countries to combat violence through nation-wide public education campaigns using conventional media and the internet together with slogans circulated, for example, on one million monthly federal pay cheques in Brazil, on school lunch boxes in Ecuador, and on telephone bills in Mexico. The campaign has already resulted in new legislation in Ecuador and Venezuela. In 1999, it is intended that the campaign will involve evaluating legislation, collecting data more systematically and training the judiciary. The campaign has already resulted in Haiti in an invitation to the United Nations Inter-Agency Committee for Women and Development to join the ministry in revisiting existing laws on women's rights. In Ecuador, the subject has

been introduced into the curriculum of the law faculties of several universities in the country. UNDP country offices in Jamaica and Venezuela received awards from local governments and NGOs for their work in the programme.

5. Countries in special development situations

60. An evaluation of UNDP support to reintegration programmes for refugees, internally displaced persons and ex-combatants has been conducted to determine how best UNDP can bring added value through its interventions. To validate the analysis and conclusions of the evaluation, UNDP intends to sponsor a high-level seminar with representatives from other partner agencies, Governments and research and policy institutions. In Afghanistan, the strategic framework for countries in crisis was applied to promote closer coordination of United Nations and other donor activities. The resident coordinator and humanitarian coordinator functions were merged.

61. In the Africa region, faced with a growing number of countries in special development situations, UNDP increased its support for post-conflict peace-building, focusing on the reintegration of refugees, internally displaced persons, and ex-combatants and on support to governance, as described in paragraph 15. In association with the Africa Leadership Forum and the Arias Foundation for Peace and Human Progress, UNDP organized a conference in Arusha, United Republic of Tanzania, in July 1998 on leadership and challenges of demilitarization to discuss the relationship between security, demilitarization and human development in Africa. It is intended that this will be followed up at a meeting in Nigeria in May 1999 under the chairmanship of President Obasanjo. In Bamako, Mali, in September 1998, UNDP and the African Centre for Development and Strategic Studies organized a workshop on the root causes of conflict, based on national case studies of Burundi, Liberia, Mali, Mozambique, Rwanda and Sierra Leone. UNDP provided support to Governments in West Africa for implementing the declaration of a moratorium on the import, export and production of light weapons and developed a programme to be launched early in 1999 to service the moratorium over the next five years with the aim of creating a more secure environment for socio-economic development in the countries concerned. UNDP supported the Government of Mali in the destruction of some 3,000 weapons in the context of the peace process in Northern Mali. UNDP also supported national commissions in their efforts to reduce the circulation of small arms in six countries in the Sahel region. Special development situations require an integrated approach to security and development, one that entails programmes set in a time-frame larger than three years and that has as an integral part, from the outset of the peace-building process, social and community development programmes designed to meet the basic needs of the population. These elements were factored into the UNDP-sponsored round-table meetings for Niger in June 1998, Gambia in July 1998, Mali in September 1998 and Chad in October 1998. In Lesotho, a UNDP-organized workshop on the role of the security forces in a democracy led to a national forum, which resulted in the establishment of the Independent Electoral Commission (IEC). UNDP coordinated donor assistance to the IEC in planning and conducting the May 1998 parliamentary elections. In August-September opposition protests against the election results gave rise to bloodshed and intervention by SADC troops. The United Nations House provided the venue for the SADC-led mediation talks between the Government and opposition parties. The talks, for which UNDP provided logistical support, led to the creation of the Interim Political Authority in December 1998 and an agreement to hold fresh elections in the year 2000. In November 1998, a team jointly led by UNDP and the World Bank conducted an independent assessment of the damage to businesses, public buildings and property following the SADC intervention and made recommendations on a reconstruction and rehabilitation programme.

62. In the Arab States region, in Somalia, UNDP continued to support a wide range of activities to move the country from crisis to development, including the reintegration of displaced persons and soldiers and rural rehabilitation. As part of its rural rehabilitation programme serving about two million people in about one third of Somalia's 88 districts and recognizing the critical role of women's work in rebuilding communities in the aftermath of war, UNDP provided micro-credit to some 1,000 women/female-headed households to start small businesses.

63. In the Asia and the Pacific region, UNDP assisted the Government of China to improve its capacity to coordinate its relief effort after the flood disaster in the summer of 1998, when the central and southern parts of the country along the banks of the Yangtze River were flooded for over 60 days. UNDP also supported a training workshop for emergency relief managers in 13 flood-prone provinces in Southern China in June. China's Ministry of Civil Affairs has expressed interest in having similar training sessions for relief managers in northern China and other provinces not covered by the June event. In Bangladesh, in the country's worst-ever floods, UNDP acted as a vital link between the donor community and the NGO community, providing internet reports and supporting the Government to coordinate needs assessments, the documentation concerning

emergency and damage repair, estimates of financing requirements, and resource mobilization for emergency relief and post flood rehabilitation. A joint United Nations flash appeal mobilized $205 million. The needs assessment matrix, compiled by the Government and donors, covered the social, economic and environmental impacts as well as the physical impact. UNDP helped the Government to develop capacity in disaster preparedness. UNDP supported Indonesia's efforts to manage extensive land and forest fires, recorded as among the most widespread in the nation's history. UNDP helped to produce a plan of action for fire-disaster management. The Resident Coordinator activated the United Nations Disaster Management Team in Indonesia and established a Disaster Response Unit in UNDP, Jakarta. In the Democratic People's Republic of Korea, which has suffered three consecutive years of adverse climatic conditions and a sharp decline in agricultural and industrial production during the 1990s, UNDP assisted the Government in organizing the first donor round-table conference for agricultural recovery and environmental protection and helped to strengthen the national management capacity required for handling donor-funded rehabilitation and investment projects through high-level advisory services and training. The Government set up multidisciplinary formulation teams to study key developments in agriculture and prepared an action plan for infrastructural and industrial rehabilitation, reforestation and capacity-building. UNDP efforts in this area facilitated dialogue with government officials and a broad-based discussion on the issues and priorities in the country. Through the Poverty Eradication and Community Empowerment Initiative in Afghanistan, UNDP assisted in rehabilitating 25 rural and urban war-affected districts. Over 500 community-based organizations for local decision-making and recovery activities have so far been established.

64. In the Europe and the Commonwealth of Independent States region, in the former Yugoslavia, UNDP support, in partnership with the European Union and with help from UNV, benefited thousands of refugees and internally displaced persons in the Travnick municipality in Bosnia and Herzegovina by reconstructing homes and social infrastructure, providing small grants for economic support, giving legal advice, training and other support through local NGOs, thus enhancing national reconciliation. The UNDP-supported national Village Employment and Environment Programme (VEEP) generated income for several thousand people affected by war, helped to rehabilitate deteriorating infrastructure, roads and bridges and improved environmental and sanitary conditions. Both programmes helped local communities to identify, prioritize and implement activities. With $1.4 million in core resources, UNDP mobilized $ 27 million of non-core funds from donors, relying on its expertise and experience in social, economic and governance issues in special situation countries. In Albania, UNDP supported a pilot "disarmament with development" project in the Gramsh district, one of the areas with the highest concentration of weapons. The project involved the beneficiaries in the collection of weapons as well as in prioritizing project activities. The Government of Albania passed a law regulating weapons possession by private citizens. As a result, security in the Gramsh district has already improved. In Kazakhstan, UNDP was the first organization to respond to the Government's request to assess the situation in Semipalatinsk, where, as a result of testing nuclear and chemical weapons, two million people were affected by cancers and mental disabilities. UNDP assisted in the organization of a conference, to be hosted by the Government of Japan, at which recommendations of the action plan are to be discussed.

65. In response to Hurricane Mitch, UNDP in the Latin America and the Caribbean region acted quickly to help El Salvador, Guatemala, Honduras, and Nicaragua to cope with the disaster. Decentralization enabled resident coordinators to channel funds rapidly for emergency response activities to support the coordinated relief efforts, including crucial communications and logistical operations. UNDP support in the affected areas in Honduras and Nicaragua was redirected to relief and rehabilitation. Over $12 million in available resources were channelled through the United Nations system during the first few weeks after the disaster. UNDP also acted as the clearing house for information on the crisis for donors and the United Nations system. UNDP mobilized over $28 million for relief, rehabilitation, and reconstruction. United Nations volunteers were active in all four countries.

66. Mine action - a critical prerequisite for the resumption of development in some countries in special situations - made increased demands on UNDP services. The number of countries supported by UNDP in this area rose from four to 13. Eight countries benefited from assessment and technical missions. In the case of Sri Lanka, UNDP helped to establish a pilot mine action centre to coordinate mine-awareness campaigns and surveys and to assist the return of refugees from areas affected by civil conflict. Other UNDP-supported mine action efforts are under way in Afghanistan, Angola, Azerbaijan, Bosnia and Herzegovina, Cambodia, Chad, Islamic Republic of Iran, Lao People's Democratic Republic, Mozambique, Somalia and Yemen. In Cambodia, UNDP organized an international Forum on De-mining and

Victim Assistance with support from the Government of Japan. This Forum brought together senior-level officials and technical de-mining personnel from mine-affected countries from various regions to discuss common issues relating to de-mining operations and the rehabilitation of mine victims. UNV helped in managing the de-mining programme and in training staff.

67. The UNDP Programme of Assistance to the Palestinian People (PAPP), created by General Assembly resolution 33/147 of 20 December 1978, marked its twentieth anniversary. Highlights of PAPP work in 1998 included the clearing of some 250 hectares of Palestinian agricultural land, using labour-intensive measures; the completion of the 2.5 kilometre Al-Mahed (Church of the Nativity) Street in Bethlehem as one of many contributions to Bethlehem 2000; the publication of the first critical analysis of the state of poverty in the occupied Palestinian territory; and the completion of an arts and crafts village in Gaza. At the request of the Chairman of the Palestinian Authority, PAPP undertook the construction of passenger and cargo facilities at the Erez, Rafah and Karni crossing points and completed work on the new Gaza International Airport, as called for under the Wye Memorandum. United Nations volunteers were active in social development and capacity-building in local communities.

B. Analysis

68. Five main features characterized results in 1998. First, the universality of UNDP presence through its extensive country office network enables UNDP to respond rapidly to the specific development needs of a diverse range of programme countries worldwide. The most striking feature is the increasing demand in recent years in all geographic regions for UNDP advice and capacity development in the field of governance, recognized as a prerequisite for poverty eradication and sustainable human development. The central role of UNDP in this area derives not only from its universality of presence but also its neutrality, impartiality and long-standing relationships with Governments and other partners in the countries concerned. The other main increase in demand for UNDP services came from countries in special development situations. In meeting the needs of an increasing number of emergency situations - manmade and natural - UNDP demonstrated its ability to respond flexibly and speedily, mobilizing responses from the rest of the international community. Many lessons have been learned on how best to respond to these demands, in particular the critical need to expedite the redeployment of human resources and allocation of TRAC 1.1.3 resources. The increased demand for UNDP support in governance and in countries in special development situations has coincided with a steep decline in UNDP core resources necessary to meet this demand. If the decline in core resources is not reversed, the overall capacity of UNDP to respond to both foreseeable and unforeseeable development needs will be seriously threatened. Second, as shown above, working in partnership with programme countries, with donors, with other multilateral organizations and with the non-governmental sector is vital, given the limited resources and the complexity of the issues. UNDP remains committed to strengthening coordination efforts both at the national level and in the context of United Nations reform. Third, UNDP grant-based assistance is available to all programme countries. The importance of multilateral, neutral support in sensitive areas of governance, linking peace-building with development, is demonstrated in the case of Indonesia. Fourth, UNDP support promoted national ownership and capacity enhancement, putting programme countries in the driver's seat. Instruments such as national execution, the programme approach and South-South cooperation are important in this context. Experience shows that national execution often imposes additional burdens on UNDP country offices and that national execution needs and experiences vary considerably between regions and countries, requiring differentiated approaches. Fifth, inadequate core resources imposed serious limitations on the seed money available for applying the programme approach and leveraging additional resources from the rest of the international community to meet the development needs of programme countries.

C. Challenges

69. There are three main challenges for the future. First, UNDP must focus on results and continue to sharpen its profile, taking into account the changing development cooperation environment, and to respond flexibly, speedily and strategically to the varied development needs of its programme countries. Application of the guiding principles approved in decision 98/1 in all country cooperation frameworks is expected to contribute to narrowing the focus of UNDP interventions while ensuring that its response remains anchored in the development priorities programme countries. Second, UNDP must implement fully the MYFF process in order better to define, capture and report clearly on the results of its work. This is no simple task in an organization as decentralized as UNDP, one that promotes capacity development in a diverse range of developing

countries. Third, UNDP must intensify its efforts to become more of a learning organization. This calls for action on various fronts: learning from evaluation and experience and disseminating the lessons learned; anticipating entry points for UNDP to fulfil its potential in the changing development cooperation environment; and communicating what UNDP stands for and the impact and results of its work.

III. Partnerships

A. Current situation and trends

70. UNDP continued to operate on the premise that, regardless of size, mandate, and resources, no development organization can produce optimal results alone. High priority was given to strengthening existing, and forging new, strategic partnerships at different levels, covering programme formulation, implementation and evaluation, support to capacity-building, and funding programme activities. At the policy level, UNDP developed a framework entitled "UNDP 2001 and Strategic Partnerships".

71. With the programme countries, the cornerstone of all UNDP partnerships, national development priorities continued to be the key determinants of UNDP development cooperation, which remains country-driven. Progress is being made in all geographical areas through the country cooperation frameworks involving a wide range of partners. In line with General Assembly legislation, UNDP continued to promote national execution, wherever possible. In 1998, national execution accounted for over 70 per cent of total expenditures, compared with 40 per cent in 1995. The revised procedures, issued in March 1998, delineated the roles, functions and responsibilities of different partners in improving the functioning of the modality. Country offices made efforts to introduce and implement the procedures during the remainder of the year. The positive result of these efforts should become apparent in future reports.

72. Within the United Nations, UNDP strengthened its support to the Secretary-General's reform agenda and continued to play a pro-active role as the United Nations operational arm in cooperating with countries at various stages of development through resident coordinators who, in their capacity as UNDP resident representatives, represent other United Nations agencies not present in their countries (see document DP/1999/16). Working through the United Nations Development Group and inter-agency forums such as the Administrative Committee on Coordination (ACC) and the Consultative Committee on Programme and Operational Questions (CCPOQ), UNDP took concrete measures to strengthen further the resident coordinator system. The UNDP role as funder and manager of the system was confirmed by the General Assembly in its resolution 53/192 of 15 December 1998. Measures to strengthen the resident coordinator system included: widening the selection pool for resident coordinators; defining a comprehensive job description for the resident coordinator; introducing new selection procedures and competency assessments; and completing the first resident coordinator appraisal process, in which all members of the ACC were invited to participate. Details of the new competency assessment procedures are outlined in chapter IV. UNDP helped to move the United Nations Development Assistance Framework (UNDAF) process forward through its vice-chairmanship of the United Nations Development Group (UNDG) sub-group on programme policies. The sub-group is responsible for, among other matters, the design, monitoring, and revision of the common country assessment (CCA)/UNDAF guidelines. UNDP provided financial and human resources to support the United Nations Development Group Office to facilitate implementation of the UNDG action agenda, especially in areas such as the UNDAF pilot and assessment, common guidelines on the resident coordinator, common premises and services and implementation of the United Nations House concept. Through its chairmanship of the UNDG sub-group on programme operations, UNDP has contributed to harmonizing and simplifying United Nations system policies and procedures in accordance with the General Assembly resolution 53/192. As the only United Nations entity to be a permanent observer of the Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD/DAC), UNDP reflected UNDG views at DAC meetings, in addition to its own positions.

73. With the specialized agencies, UNDP worked, as a first step, with the Food and Agriculture Organization, the International Labour Organization, the United Nations Educational, Scientific and Cultural Organization, the United Nations Industrial Development Organization and the World Health Organization to carry forward the UNESCO proposal for a new UNDP-specialized agencies partnership presented at the March 1998 ACC meeting. The initiative, to be extended to other agencies, is based not only on relations but also on results, resources and recognition and is aimed at maximizing coherence, complementarities, cost-effectiveness and coordination at the global, regional and country levels. UNDP and the five agencies prepared an information paper for the April 1999 ACC meeting and a joint implementation plan for the years 1999-2001 under the

following common objectives: (a) to strengthen mutual confidence and understanding; (b) to work together more effectively in support of national development priorities and goals through joint programming strategies (e.g., on poverty eradication), research, advocacy and resource mobilization; (c) to achieve economies of scale and improve management; and (d) to review existing tools. It is hoped that other agencies will join in the implementation plan for translating the new partnership concept into reality. In the case of the regional commissions, UNDP worked to implement the Economic and Social Council mandate for closer cooperation in the various geographical regions.

74. With the World Bank, UNDP built on already existing collaboration in many areas and countries. UNDP developed a strategy for a new partnership with the Bank, taking into account the different characteristics and comparative advantages of the two organizations. The Administrator and the World Bank President set up, in mid-1998, a working group at the corporate level of the two institutions to move the partnership forward and to increase cooperation and complementarity in addressing development challenges. The strategic exchanges of this working group resulted in progress at several levels, especially in terms of joint discussions on grant funding for technical cooperation (and especially the issue of grant-financed World Bank trust funds), governance work, capacity-building, evaluation of aid coordination mechanisms at the national level and, most recently, supporting programme-country Governments that are piloting the Bank's new Comprehensive Development Framework (CDF). At the policy level, UNDP pursued a broad set of consultations with the Bank on matters relating to governance and capacity-building. In the area of aid-coordination mechanisms, UNDP and the Bank agreed to collaborate in the organizations' parallel evaluations of the Consultative Group and round-table processes and agreed to share and discuss the assessments. At the operational level, UNDP regional bureaux launched new initiatives with their respective Bank vice-president counterparts. In Africa, the second quarterly meeting led to an understanding between the two institutions on the Partnership for Capacity-Building in Africa with UNDP taking a key role in its implementation. In Asia and the Pacific, Viet Nam was a pilot country for United Nations/World Bank cooperation on UNDAF and the Bank's country assistance strategy, reflected in UNDP/Bank collaboration with the Government on the preparation of the 1700 Poorest Communes Programme. In addition, a consultation between the Bank's Regional Vice-President for East Asia and the UNDP Assistant Administrator and Director of the Regional Bureau for Asia and the Pacific in November 1998 culminated in a joint informal briefing to members of the Executive Board. As a follow-up, a joint letter outlining ideas for moving the partnership forward was issued to all UNDP resident representatives and World Bank country directors in December 1998. In other regions, UNDP continued to strengthen its operational partnership with the Bank.

75. With the regional development banks, UNDP continued to seek to strengthen partnerships to the advantage of the programme countries. In the Latin America and the Caribbean region, the Inter-American Development Bank (IDB) and UNDP continued their strong partnership throughout the region, as reflected in the joint design and implementation of many operations, particularly in the areas of poverty eradication and governance. In close coordination with IDB, UNDP technical cooperation was a key element in the successful participation of Central American Governments at the IDB-convened Consultative Group meeting in the aftermath of Hurricane Mitch. UNDP continued to seek ways of strengthening its partnership with the African Development Bank and the Asian Development Bank.

76. With the European Commission, UNDP established a formal partnership in July 1998 in the areas of peace-building and conflict resolution, human rights, good governance, and private sector development, in the Africa, Caribbean and Pacific regions. A joint steering committee was set up to identify projects and monitor progress. Joint projects in governance already signed or under negotiation include the Africa Governance Forum III, support to national elections in Mozambique, a programme on empowerment of women in the Central African Republic and the reform of the judiciary and penitentiary system in Haiti. In the area of environment, joint projects include sustainable forest management, the Africa 2000 Network Phase II, and a ministerial conference on Poverty and Environment scheduled for September 1999. UNDP-European Commission partnership in the Europe and the Commonwealth of Independent States region continued, with important joint activities in Bosnia and Herzegovina, Bulgaria, Estonia, Latvia, Lithuania and Poland. This fruitful cooperation was also expanded to Croatia. In Bulgaria, the project "Beautiful Bulgaria" employment scheme was co-financed by the European Commission-UNDP for the first time. In Bosnia and Herzegovina, European Commission-UNDP programmes designed to resettle refugees as well as to provide employment and income to all war-affected populations were further expanded. Within the context of an overall UNDP reconstruction and rehabilitation programme in Croatia, EC funding was obtained to provide short- and long-term

economic support to war-affected populations in the Knin-Lika area.

77. With bilateral donors, UNDP sought to renew partnerships with traditional and new donors. The Ad Hoc Open-ended Working Group on the UNDP Funding Strategy provided a useful forum in this respect. Examples of UNDP-bilateral donor partnerships included the agreement to prepare a colloquium for French Parliamentarians and the Second Tokyo International Conference on African Development (TICAD II), coorganized by Japan and UNDP, that translated the political commitment made at TICAD I into concrete action at the country level, providing new opportunities for African countries to explore further partnership with Asian countries. TICAD II emphasized the promotion of TCDC and the fostering of interregional partnerships between the private sector in Asia and the Pacific and African and Arab regions. In this and other contexts, UNDP made significant progress in mobilizing global and United Nations system-wide support for TCDC that deepened South-South sharing of knowledge and best practices through networking in the areas of sustainable development, trade and investment, food security and the environment. The overriding goal of this strategic partnership, including South-South partnership, was to bring maximum benefit to programme countries.

78. At the regional level, one important example of new strategic partnerships in 1998 was a UNDP agreement with the League of Arab States, which includes a programme for capacity-building in sustainable human development.

79. With NGOs and civil society in general, special efforts were made to improve understanding of UNDP work. With the Group of 77, the South Centre and the Third World Network, the UNDP Special Unit for TCDC helped to deepen South-South policy dialogue and intellectual exchanges on critical issues of globalization, follow-up to the Kyoto Protocol, regional and subregional economic cooperation, and preparations for the South summit. In the Africa region, for instance, this took place with the private sector and the media, academic institutions and the churches. In the Asia and the Pacific region, while continuing its important partnership with the Governments of each country, UNDP formed strategic partnerships with civil society organizations, NGOs, women's groups, trade organizations, the private sector, advocates for the environment and against child labour, politicians, parliamentarians, and poor urban and rural slum communities themselves. These partnerships aimed to produce direct and measurable improvement in people's lives and to make national policies more pro-poor and people-centred. In the Philippines, UNDP brought together in June representatives from 14 countries who formed a network on empowerment and participation for the Asian and Pacific region for government-civil society organization-UNDP cooperation to promote participatory development and cooperation for poverty eradication at the national, subregional and regional levels. The network advanced strategic partnerships and learning in the respective countries, documenting case studies, best practices, innovations and the impact of dissemination, including that over the internet, as a contribution towards global learning on empowerment and participation issues.

80. With the private sector, UNDP continued to seek areas for cooperation that would enhance programme countries opportunities to meet their national poverty eradication goals. Following an agreement reached with the World Bank that UNDP would provide microfinance assistance - proven to be a vital tool for poverty eradication - to organizations with fewer than 3,000 clients, UNDP joined forces with UNCDF to create the Special Unit for Microfinance (SUM). SUM has already mobilized $30 million, including $3 million from the United Nations Foundation for International Partnerships and is being implemented in 15 countries. Bilateral donors and the African Development Bank have already made commitments to SUM and Governments are negotiating to buy the programmes for their countries. UNDP also explored ways to collaborate with global corporations on projects to eradicate poverty, create sustainable human development, and help local private sectors to prosper by giving two billion people access to the global market economy by 2020.

B. Analysis

81. Progress was made in forging new and strengthening existing strategic partnerships, notably within the United Nations, the World Bank, and the European Commission. But more needs to be done to identify and forge strategic alliances that will enable UNDP to strengthen its impact in response to programme country needs. Within UNDP, more needs to be done at all levels to raise awareness of the critical role of strategic partnerships and, in choosing partners, to consider questions such as the following: would the new partnership enhance UNDP assets and strengths - improve the quality and speed of the supply response - enhance UNDP impact at the country level - increase critical mass vis-à-vis larger partners - be to the mutual benefit of UNDP and the partner - provide UNDP with new opportunities - strengthen the resident coordinator system - reduce costs - enhance UNDP credibility and visibility - help to mobilize resources? Also, UNDP must be able to report

clearly on results achieved through such partnerships, directly and indirectly. Implementation of the MYFF is expected to help in this respect, given the integration of partnership into the design of the new UNDP strategic results frameworks and its inclusion as a key component of UNDP results-oriented annual reporting.

C. Challenges

82. The overriding goal of strategic partnerships is to bring maximum benefit to programme countries to enable them to meet their development targets, including those set in global conferences. The strategy is to pool the comparative advantages of UNDP with those of the partner to provide a critical mass of development support to programme countries. In the UNDP-programme country partnership, where national execution is the preferred modality, lack of national capacities in the country concerned is often an important challenge. The measurement of the results attributable to the partnership as a whole and to each of the partners individually remains a methodological challenge - in that true partnership implies that the sum of the results will be greater than the sum of all its parts.

IV. Organizational capacity

A. Current situation and trends

83. In line with implementing its reform package UNDP 2001, the organization focused on making itself more dynamic and results-oriented, capable of responding swiftly to a diverse range of programme country development priorities and ensuring quality service delivery. In order to define clear objectives and promote a culture of accountability, the Administrator signed compacts with each of his senior managers in 1998. These compacts have provided a management framework for monitoring key results against objectives in 1998. In this context, UNDP paid particular attention to strengthening its organizational capacity through human resource development and through decentralization and efficiency measures.

1. Human resource development

84. Gender equality remained a top priority. UNDP launched phase 2 of its gender balance policy, which aims to have at least four women for every six men in the organization by the year 2001. Trends indicate that this will be feasible. Between 1995-1998, UNDP tripled the number of female Assistant Administrators, exceeded the 20 per cent target for women at the D-2 level, and almost doubled the number of women resident representatives (from 14 to 26). In 1998, 22 per cent of all resident representatives and 31 per cent of all deputy resident representatives were women. One third of senior managers at headquarters were women. UNV gender specialists and UNIFEM gender advisors contributed to strengthening the capacity of the resident coordinators to mainstream gender in the context of United Nations reform.

85. The new competency assessment for selecting resident coordinators was a notable achievement in 1998, setting in place a new methodology for recruitment for senior management posts in the organization. The first resident coordinator competency assessment programmes were conducted at the United Nations Staff College in Turin in November 1998. Of the 40 participants from the United Nations system, 23 were from UNDP. The new assessment methodology, made by an independent firm, included five simulations to measure 12 competencies. The new selection procedures provided for the selection of candidates for specific posts and established a pool of candidates for future resident coordinators. The competency assessment was behaviourially based as well as being a technical assessment. A further competency assessment is planned for May 1999. Staff members of the different United Nations system organizations who completed the competency assessment programme were reviewed by an inter-agency advisory panel. The concept of senior deputy resident representatives was envisaged for countries where the workload of resident coordinators is particularly high.

86. National staff career development was made a priority. The national staff career-management policy developed and launched in 1998 was also the first of its kind in UNDP. The policy, now in its second phase of implementation, is designed to enhance the professional capabilities and career horizons of national staff, who are the backbone of UNDP country operations. International posts were opened to national staff. A competency-based selection exercise was conducted for succession planning for the Operations Manager career track. Six of the seven candidates selected were national staff. National staff were also selected for numerous duties and training opportunities in other country offices and at headquarters.

87. Learning was given particular emphasis, in line with UNDP 2001 recommendations. Under the new "Learning for Staff Development - A Framework for Action", approved in July 1998, five per cent of staff time is to be dedicated to learning to enhance skills, knowledge, motivation and performance. The framework also includes a learning

managers network. Staff, together with external consultants, were selected as evaluators - as a means of channelling country-level learning into improved programme quality and knowledge development. By the turn of the century, UNDP aims to have an inventory of ideas and knowledge drawn from its country-specific and global experiences, and to speed the sharing of that information in support of development dialogue, advocacy and programming work at the country, regional and global levels. The evaluation compliance rate in 1998 was 71 per cent, up from 43 per cent when such reporting started in 1995. EVALNET, a network of 35 professionals from country offices and headquarters, established in 1998, is expected to give a further boost to organizational capacities for making use of evaluation as a learning tool.

88. The culture of participatory decision-making, in which headquarters and country offices managers examine issues for policy-setting and prioritization of the work of the organization became the institutional norm. The Change Implementation Committee and the Expanded Executive Committee reviewed and contributed to decision-making on new initiatives from the change agenda and on many other policy matters. UNDP initiated a control self-assessment programme in 1998, focusing on accountability, delegation, and internal controls and risk assessments. The plan is to cover 35 country offices and 45 headquarters units in 1999. In the case of countries in special development situations, a series of measures were put into place to ensure rapid deployment of staff in times of emergency. This included a staffing strategy to identify and place the necessary specialized personnel in accelerated fashion. Country-level capacity to undertake programme and management audits was increased. Staff at designated country offices were appointed to assist in this, backstopped by three regional service centres in Asia, Africa and Latin America. Seven National Officer posts were deployed to regional centres to strengthen the effort.

2. Decentralization

89. Further decentralization was reviewed in the context of the UNDP 2000-2001 budget strategy. Between 1997 and 1998, 34 core regular posts were added to country offices, including 15 posts to support the implementation of the subregional resource facilities (SURFs). The number of headquarters core regular posts was reduced by 25. UNDP strengthened its networking system through, inter alia, the SURF system to backstop country offices in technical areas as well as in strategic policy, programme formulation, implementation and monitoring. To facilitate resident representatives' efforts to mobilize non-core resources, authority to sign cost-sharing agreements with Governments was given to the country offices in October, specifying responsibilities associated with this delegation of power, including the vital importance of timely reporting to donors. The need for headquarters approval for all trust fund disbursements was maintained. Guidelines decentralizing the authority for private sector collaboration were also formulated. Thirty-five different procedures in personnel management were streamlined in 1998 and many were delegated to country offices. The management of contracts for activities of limited duration and special service agreements was also delegated to most country offices. The posting of job vacancies on the internet streamlined hiring.

3. Efficiency measures

90. Headquarters and country offices made proposals for efficiency measures, involving streamlined programming and administrative and financial management. Administrative and other efficiency measures were integrated into the annual compact process. Compacts, with clearly defined success indicators and benchmarks, were implemented by senior managers. Management indicators were designed to help measure country office efficiency and performance. Seventeen management reform projects were launched - eight were completed and the remainder targeted for implementation in 1999. They contributed to the change process in three ways: by developing management and programme tools aimed at the delegation of greater authority to country offices; by developing new strategies, methodologies, quality control and monitoring mechanisms to improve the effectiveness and impact of programmes; and by building essential structure and infrastructure to improve efficiency, accountability and management.

91. Streamlining and simplification of procedures began to reduce volume; align financial procedures with UNDP rules and its new managerial accountability framework; translate new policies into operational procedures; and ensure coherence between UNDP manuals. Following an in-depth consultative process at headquarters, with country offices, and with other United Nations agencies, both the Programming Manual and the Finance Manual were prepared for finalization in 1999. Other manuals and procedures were reduced to essentials. In the case of national execution, revised procedures were issued in UNDP and, through CCPOQ, common guidelines were developed for the United Nations system as a whole. Quick, quality service to its clients and partners was a high priority and UNDP continued to implement its policy of a five-day response time. To identify and remove bottlenecks, a client survey of country offices was started. UNDP planned to undertake a full

assessment of the change process in the second half of 1999 to analyse the overall outcomes of the change initiatives in relation to the goals of UNDP 2001.

92. Modernization of the organization's information system and increased connectivity, essential for optimizing efficiency and effectiveness in a global organization such as UNDP, was intensified. UNDP achieved 100 per cent access to the internet for all headquarters staff and for 129 out of 137 country offices. A total of 104 country offices have connectivity to the UNDP corporate intranet, providing a hot line for problem-solving and strategic information-sharing throughout the organization. Connectivity in UNDP improved, with standard software replacing stand-alone measures. A compendium of resources to guide programme countries on where to turn for information in dealing with year 2000 problems was put on the UNDP website.

B. Analysis

93. Intensive efforts were carried out during the year to ensure the implementation of UNDP 2001. Significant progress has been made in strengthening country offices, developing UNDP as a learning organization, promoting efficiency and re-engineering, strengthening accountability, and supporting the United Nations reform agenda. The introduction of competency assessment for resident coordinators marks a significant departure in both UNDP and United Nations system human resource practices. It has received strong support. The results will need to be carefully monitored and further built upon. In the area of learning, the SURFs have been established and it is now necessary to focus on developing a learning policy. In the area of efficiency gains, while significant results have been achieved, the organization will need to improve its information systems further and to explore possibilities for outsourcing. In the area of accountability, the Administrator is committed to carry forward the important work already under way through the roll-out of the control self-assessment exercise and moving forward the compact process as a priority management tool between senior managers.

C. Challenges

94. UNDP faces three important challenges. First, it will need to continue to reform, simultaneously playing an pro-active role in furthering the reform agenda of the United Nations and adjusting to the changing external environment, in order to strengthen further its effectiveness and efficiency. UNDP 2001 and the application of the MYFF approved in decision 99/1 will be critical. Second, human resources and competencies must be fully aligned with results to be achieved. Increasing demand for UNDP services in governance and in countries in special development situations will require even greater flexibility. A more substantive country office network will enable UNDP to have more impact at the country level and to implement the Secretary-General's reform calling for more coherent and coordinated operational activities. Headquarters and SURF support to the country office network needs to be reviewed to ensure speedy, quality response. Full accountability, given the drive for maximum decentralization and delegation, will be vital. Third, UNDP must define and implement a holistic organizational learning policy. The role of evaluation will be important but it is also a matter of absorbing and disseminating effectively the lessons learned from the UNDP worldwide experience.